

**In an analysis of metropolitan area logistics factors, Expansion Management Magazine awarded three Kentucky metropolitan areas with high marks —**

- **The Cincinnati/Northern Kentucky and the Louisville areas received a 5 Star rank by Expansion Management Magazine. This award is based on ten logistics categories and is the highest possible rating.**
- **The Evansville/Henderson metropolitan area earned a 4 Star rating.**

**Expansion Management (September 2005)**

Kentucky's location in the geographical center of the Eastern United States, and its extensive highway, air, rail, and waterways transportation systems place the Bluegrass State in a strong position to compete in the global marketplace. With its borders within 600 miles of two-thirds of the nation's population, personal income, and manufacturing business establishments, Kentucky's intermodal freight and passenger transportation systems have reached out to provide safe, efficient and cost-effective access to all points of the globe.

The population center of the United States east of the Rocky Mountains is located just northeast of Danville, Kentucky. Danville is located within a 40 minute drive from I-75, I-64, US 27 and US127 which are main arteries to the rest of the eastern section of the United States.

Kentucky is at the highway crossroads for the Canada to Florida I-75 route, extending from the Great Lakes to the Gulf of Mexico, and the St. Louis to Norfolk I-64 route, which stretches from the Mississippi River to the Atlantic Seaboard. Domestic and international air travel is served by the Delta and Comair hubs which provide non-stop service to Europe and Canada from their location in Northern Kentucky. International flights are also available from the Louisville International Airport at Standiford Field and Lexington's Bluegrass Airport.

Air cargo services are provided by the United Parcel Service hub at the Louisville International Airport which serves global destinations to over 200 nations. Several other air freight and parcel providers operate through Kentucky's air system as well.

Kentucky is a rail center for the mainline services of the CSX, Canadian National, and Norfolk Southern railroads which provide services from the Great Lakes gateways to the Gulf of Mexico and link intermodally with inland and deep-draft ports for export trade. Western Kentucky is the heart of the nation's inland waterways and riverport system, standing at the junction of the Upper and Lower Mississippi River, the Ohio River, and the Tennessee-Tombigbee navigation corridors.

## Kentucky Transportation: A Network with the World

In a joint analysis of state and metropolitan area logistics factors, *Expansion Management* and *Transportation & Distribution* magazines listed the Northern Kentucky/Cincinnati/Louisville areas 5 Star Logistic Metros. They were ranked 28<sup>th</sup> and 29<sup>th</sup> overall. The Henderson/Evansville area was ranked as a 4 Star Logistic Metro - ranking it the 110<sup>th</sup> best Metro area for logistics (*Expansion Management*, September 2005). Prior to that, Louisville was awarded second place among the top 15 logistics cities in the Midwest, while the Cincinnati, Ohio-Kentucky-Indiana region garnered seventh place in the same competition (*Expansion Management*, August 2003). The strength of Kentucky's transportation advantages is evident in the broad choice of prime air, rail, and interstate highway served business sites. A current listing of these offerings reveals the following:

- 31 sites within 10 miles of a commercial airport
- 130 sites within 50 miles of a commercial airport
- 80 rail served sites
- 61 sites within 5 miles of an interstate highway or parkway

For a complete listing of these and other sites, refer to the [EDIS](#) web site.

By highway, river, rail, or air, Kentucky offers unique advantages for transportation, distribution, and export, and provides new opportunities for capitalizing on North American markets and global trade. The increasing level of partnership among trucking, rail, and other shipping firms, and the development of efficient, integrated transportation systems throughout the industry, places the Bluegrass State in the position to become a 21st century leader in global transportation opportunities. Kentucky's full complement of well developed terminals, riverports, enterprise zones, warehouse facilities, ports of entry, and foreign trade zones link with an intermodal transportation system that forms a network with the world.

In September of 2004, Governor Fletcher and the Transportation Cabinet released the Kentucky Statewide Transportation Improvement Program (STIP). STIP evolved from the 1991 Intermodal Service Transportation Efficiency Act (ISTEA), which is a 20 year strategic plan to improve the overall transportation system of the Commonwealth. With STIP, Kentucky commits to undertake a planning process that includes all modes of transportation, integrates statewide and metropolitan planning initiatives and utilizes management systems, comprehensive planning, and innovative financial mechanism to the maximum extent possible. The program was designed because it is in the national interest to encourage and promote the development of transportation systems embracing various modes of transportation in a manner that will serve all areas of the state effectively and efficiently. STIP is scheduled to start a three-year process that will run through end of 2007.



## Kentucky Transportation: A Network with the World

### **Air Transportation**

Accessibility to modern major airport services, and safe, efficient air travel for business purposes, are well addressed by Kentucky's statewide system of commercial and general aviation airports. International flights depart from the Cincinnati/Northern Kentucky International Airport, from the Louisville International Airport at Standiford Field in Louisville/Jefferson County, and from the Bluegrass Airport in Lexington, Kentucky.

Kentucky's airports can compete with any in the world. The July 2005 issue of Air Cargo World ranked the Top 50 airports in the world for cargo. The Louisville airport ranked 10<sup>th</sup> and the Cincinnati/Northern Kentucky airport ranked 40<sup>th</sup>. These same airports were ranked 5<sup>th</sup> and 17<sup>th</sup> for North America. During the year 2003, Lexington's Bluegrass airport was the 7<sup>th</sup> fastest growing airport in North America and the 5<sup>th</sup> fastest growing in the United States based on passenger activity.

[Cincinnati/Northern Kentucky International Airport](#) (CVG) serves more than 22 million passengers a year and is predicted by the FAA to remain one of the fastest-growing major airports in the United States over the next ten years. It has grown an average rate of 5% per year since 1999. That is more than double the growth rate for the nation's largest airports. Passenger and cargo volume at CVG has more than doubled over the last 10 years.

Ten passenger airlines offer more than 680 nonstop daily departures to 140 cities worldwide. CVG's international gateway offers nonstop service to Paris, Frankfurt, London, Montreal, Rome, Amsterdam, Honolulu, Nassau, Cancun, Montego Bay, Jamaica and Toronto and remains an attractive gateway for increased international flights. Delta Air Lines has teamed up with Air France and Alitalia Airline to offer seamless travel to more than 130 cities throughout Europe, the Middle East, Africa and Asia via Air France's hub at Charles de Gaulle Airport and Alitalia's hub in Rome. CVG has now become Delta Air Lines second largest hub.

CVG's geographic location remains one of its key strengths - allowing the airport to operate as a 360-degree hub. Half the U.S. population and manufacturing base are located within an hour's flight, and 14 of the top 20 markets are within 90 minutes. The airport employs more than 15,000 and supports the jobs of more than 55,000. It has annual impact of \$4.5 Billion to the Tri-state area.

The garage expansion, which opened in March 2002, enhanced parking options by opening 1,700 new spaces near Terminal 3, the airport's busiest terminal. The CVG Autoport includes 13,400 onsite parking spaces, including 6,000 in the long-term lot and 7,400 in the terminal garages. Inside the terminals more than 80 new shops, restaurants and services are being phased in, making sure that passengers have access to the finest selection of local and national brands.

## Kentucky Transportation: A Network with the World

Since 1994, travelers have consistently named CVG one of the best airports in the world in surveys by IATA, AC Nielsen, OAG Worldwide and Regional Airline World magazine. In May, CVG was rated the #1 U.S. airport and one of the top 10 worldwide, according to an independent passenger survey conducted by the International Air Transport Association (IATA). A 2004 J. D. Power and Associates study included CVG as the Number 2 airport in the United States for Service and Convenience. Last year, frequent travelers from 86 nations rated CVG the #1 U.S. airport in a report published by London-based Skytrax Research. For the year 2005, Skytrax Research ranked CVG the 2<sup>nd</sup> best airport in the US.

The airport is making a number of investments in its future, chief among these, a third north/south runway, which is due to open in late 2005. An extension to the east/west runway was completed in late 2004. CVG's annual aircraft operations are expected to reach nearly 600,000 by 2005, up from 460,000 in 1999. These improvements will help CVG maintain its consistent on-time rating and will make the airport more attractive for carriers to expand operations. These projects represent an investment that will keep CVG running smoothly while ensuring continued economic vitality for the region for many years to come.

The [Louisville International Airport](#) in Louisville/Jefferson County currently is served by fourteen airlines. It has 114 daily flights provide non-stop or direct service to 63 destinations in 30 states plus Canada and the District of Columbia. It also has direct connections throughout the world. Passenger enplanement at the airport doubled during the nineties and was up 8.4% from fiscal year 2004 to fiscal year 2005. For fiscal year 2005, the airport handled over 3.5 million passengers. Current schedules permit business to be conducted with minimal time in transit.

The airport is home to [United Parcel Service](#) (UPS), the fourth largest cargo airline in the world. A \$1.1 billion international air sorting hub for UPS has helped make the Louisville International Airport the fifth largest cargo airport in the nation and the eleventh largest cargo airport in the world, with over 1.72 million tons of cargo handled annually. The UPS airpark is home to a 4,000,000 square foot facility located on a 550-acre section of land. It allows UPS to average nearly 100 flights a day and employ over 23,000 people and has the capacity of sorting 304,000 items per hour. In 2005, the hub announced an \$80,000,000 upgrade and the creation of 400 new jobs at the Louisville hub.

The airport is in the process of making substantial improvements in order to make it more competitive with other airports. The airport is in the process of completing over \$220 million in capital improvement projects. Those currently in progress or just recently completed include a \$41 million terminal renovation. A new 22 story air traffic control tower has been constructed. Another project taking place is a \$248 million voluntary residential relocation program. Expanded customer parking, including a new parking structure, is now available. The West Runway is being expanded from 10,000 feet in length to 12,000. This will permit airlines to carry additional fuel, cargo and passengers to farther destinations in a more efficient manner. A \$33 million Wyndham Airport hotel will be connected to the airport terminal. It is scheduled to be completed in 2006.

## Kentucky Transportation: A Network with the World

[Blue Grass Airport](#), located in Lexington/Fayette County, offers convenient air transportation for 44 counties in Central, Eastern and Southern Kentucky. In 2003, the airport was ranked the fifth fastest growing airport in the United States and the seventh fastest growing airport in North America with an 18.8% increase in passengers over the previous year. It has 13 airlines operating as 6 major brands. It has 50 daily departures and 50 daily arrivals. In 2004, it served nearly 1.2 million passengers. This was the airport's best year ever. Non - stop commercial service is provided to 15 cities and service is available to destinations worldwide. Blue Grass Airport also provides services for general aviation and private/corporate aviation clients from around the world. The airport has a US Customs office on-site and aircraft maintenance and repair services are available. At Blue Grass Airport air cargo and charter services are readily available. The airport is projected to spend over \$59.4 million on improvements during a 2 year period. The projects include \$34 million on a runway redesign and extension and the addition of 2 more cargo concourses at a cost of \$9.8 million. In July 2005, the airport began a \$15.5 million expansion to add a 6<sup>th</sup> gate. It is expected to be complete by September 2006. The airport is in the process of planning for the next 20 years. Adding a second story is one of the many proposals that are being looked at as the airport and entire area expand. This 20 Year Master Plan also calls for relocation of one of the runways. The airport, located 5 miles from downtown Lexington, is easily accessed from I-64, I-75, US 60, and the Blue Grass Parkway.

Daily commuter service is available at Paducah's [Barkley Regional Airport](#) and at the [Owensboro-Daviess County Airport](#). Barkley Airport offers six departures daily Monday through Friday; four departures on Saturday; and five departures on Sunday. All flights from Paducah serve either Memphis or St. Louis. It is serviced by NorthWest and American Connection Airlines. Two departures are provided daily Monday through Friday from Owensboro to St. Louis. On Saturday and Sunday there is only one departure each day. The airport is undergoing a \$28 million expansion.

Kentucky possesses a well-developed system of regional and community general aviation airports as well. Sixty-six additional general aviation airports provide safe accommodations for corporate aircraft, with seventeen of these facilities maintaining at least one runway of 5000-foot length. Services such as fueling, tie downs and hangars, and maintenance are available at the larger facilities.

With the growing importance of reliable air connections to the nation's business centers, access to overseas business markets, and minimal time spent in transit, Kentucky is able to offer a safe, competitive, and modern airport system to meet the evolving demands of the global business community.



## Kentucky Transportation: A Network with the World

### Highway Transportation

A freight distribution network that is efficient, safe, and technologically competitive makes Kentucky an ideal location for businesses needing just-in-time delivery and reliable access to markets and suppliers. Geographically located within a day or two highway travel of two-third's of the nation's buying power, Kentucky maintains a continuing six year highway construction and improvement plan that ensures necessary structured growth and regular maintenance. The backbone of the Commonwealth's 79,000 miles of federal, state, and local roads is five major interstate highways (I-75, I-71, I-65, I-64, and I-24), which provide direct routing to the Great Lakes and Canada, the Gulf States and Florida, the Atlantic Seaboard, and St. Louis and points west. Within the state, nine major parkways/highways provide access to the Interstate system, while state maintenance covers nearly forty percent of the entire highway network. Nationwide survey shows that both the Louisville and the Cincinnati, Ohio-Kentucky-Indiana areas are logistically ranked in the Top 20 for cities with access to interstate highways.

An innovation that is delivering reduced congestion, increased efficiency, and safer motorist and truck movements on Kentucky's primary highway corridor is Advantage I-75. Trucks of participating companies can travel from Canada to Florida with minimal stops at weigh stations, through the use of automated vehicle identification and clearance systems. Immediate benefits to carriers include fuel savings, lower operating costs, and faster delivery times.

Most of the nation's major trucking companies have terminals in Kentucky. The largest trucking company located within the state is Mercer Transportation of Louisville which operates nearly 1,650 tractors. There are over 500 trucking terminals located throughout Kentucky. A total of 52 cities are served by at least one terminal location. In addition, the accelerated growth of intermodal truck-rail and truck-barge facilities and state-of-the-art cargo tracking practices by the motor carrier industry, make Kentucky a competitive, cost-effective participant in today's global economy.

### Rail Transportation

Kentucky's railroad system offers mainline, state-of-the-art through service over the most heavily traveled corridors of the CSX, Norfolk Southern, and Canadian National Railroads, augmented by a regional and local distribution network of shortline railroads and intermodal freight facilities. This freight transportation structure ensures direct service from Kentucky to the major rail centers of the Great Lakes, Gulf of Mexico, and Atlantic Seaboard. Kentucky is traversed by the CSX Transportation Corporation's Chicago to Nashville and Detroit to Atlanta mainlines, by the Norfolk Southern's Cincinnati to Atlanta and New Orleans mainlines, and by the Canadian National's Chicago to New Orleans mainlines. The Paducah & Louisville Railway provides internal East-West service in Kentucky, connecting with 5 Class I line and 2 Class III line carriers at three locations in the State. Localized rail services are provided by eight short-line carriers: The Fredonia Valley Railroad, Hardin Southern Railroad, Kentucky & Tennessee Railway, KWT Railroad, Louisville & Indiana Railroad, R.J. Corman Railroad, Tennken Railroad, and Western Kentucky Railway.



## Kentucky Transportation: A Network with the World

Rail transportation in Kentucky is extensively intermodal, affording efficient, convenient connections with TOFC and COFC facilities, and providing direct service to Kentucky's extensive system of public and private inland waterway ports. The Norfolk Southern Railroad operates intermodal services in Louisville and Georgetown, Kentucky and Cincinnati, Ohio, while the CSX Railroad has intermodal terminals in Cincinnati; Evansville, Indiana; and Nashville, Tennessee. It also has major rail yards in Louisville and Russell Kentucky.

Kentucky's rail network, and its modern intermodal facilities and freight tracking systems, ensure timely and cost-effective service for bulk, general cargo, and containerized freight. From the Bluegrass State, this network reaches out competitively to America's domestic markets and coastal ports and to global customers overseas. Safety is one of the chief concerns since September 11, 2001. Both here in Kentucky and on the national scale, the rail industry has beefed-up security. Numerous steps have been taken to ensure that our railways are as safe as they can possibly be.

### **Water Transportation**

Kentucky is the center of a port and waterways system that offers globally competitive, inexpensive year-round freight transport for bulk materials and containerized freight. At the hub of the nation's inland waterways, Kentucky's ports and terminals provide direct access to the agricultural markets of the Midwestern and North Central States, to the industrial and consumer markets of the Northeast, and to New Orleans, Mobile, and the Gulf of Mexico for distribution to the South.

With its access to the junction of the Upper and Lower Mississippi, Ohio, and Tennessee-Tombigbee navigation corridors, Kentucky has a waterway link to the Great Lakes and Canada, to Mexican and South American markets, and to the deep-draft ports of New Orleans and Mobile for shipments overseas. In addition to these major waterway corridors, barge traffic within the State is handled on the Big Sandy, Cumberland, Green, and Licking Rivers.

The efficiency of the Commonwealth's navigable waterways system is further enhanced by a well-developed complement of public and private port and terminal facilities. Modern transloading equipment, safe docking berths, extensive storage and warehousing, and competitive access to rail and highway corridors have drawn many corporate customers and tenant industries to Kentucky's inland ports. There are 11 approved public riverport authorities within the state ranging from the southwest to the northeast corners of the state. The Port of Huntington which serves Kentucky, West Virginia and Ohio is largest inland port in the U.S. and 7<sup>th</sup> largest U.S. port overall. It has 144 active river terminals and moved over 80 million tons a year. The Ohio River ports of Henderson, Louisville, Owensboro, and Paducah, the Mississippi River port of Hickman, and the Lyon County port on Lake Barkley all operate as public ports, while over thirty contract terminal facilities and one hundred sixty private terminal operations also serve the state. The Evansville, Indiana/Henderson, Kentucky area was named in the September 2005 edition of Expansion Management magazine as one of the top "Most Logistic Friendly Metros" in the United States. It received a 4 Gold Star rating. The riverport at Evansville plans to make major

improvements over the next several years. When finished, it is expected to offer both greater efficiency and greater capacity. Paducah serves as the towing headquarters for Ingram Industries one of the largest barge line companies in the nation. It has a fleet of nearly 4,000 barges and has a large customer base located on the Ohio River area. Paducah also services the Crouse Corporation with its 860 barges and 27 tugboats. Several other carriers also call Paducah home. The city is considered a national hub for river shipping. With their full array of cargo handling capabilities, Kentucky's inland ports provide an intermodal connection to the world's markets.

### **Support Facilities**

The efficiency of a modern intermodal transportation system is further augmented by the quality of business, storage and transfer facilities available at its junctions. The terminals, ports, and COFC/TOFC facilities operating in Kentucky are further strengthened through their close association with a statewide network of ports of entry and foreign trade zones. Each of these systems offers unique services that can be of particular value to companies choosing to do business in the Bluegrass State.

### **Ports of Entry**

The [U.S. Customs Service](#) has the following ports of entry locations to provide services in Kentucky:

Port of Entry – Louisville (Port 4115)  
U.S. Customs Service  
Louisville International Airport  
650 Administration Drive  
Louisville, Kentucky 40209  
502-582-5186

Port of Entry – Owensboro (Port 4116)  
U.S. Customs Service  
Winfield K. Denton Federal Building  
101 N.W. Martin Luther King Jr. Blvd.  
Room 116  
Evansville, Indiana 47708  
812-465-6413

Port of Entry – Cincinnati, Ohio (Port 4102)  
U.S. Customs Service  
Cincinnati/Northern Kentucky  
International Airport  
3087-B Terminal Drive  
Hebron, Kentucky 41048-9724  
859-767-7002

User Fee Airport – Lexington (Port 4184)  
U.S. Customs Service  
Bluegrass Airport  
4000 Terminal Drive  
Lexington, Kentucky 40510  
859-425-3111

The Louisville, Owensboro, and Lexington offices perform a full range of customs functions with the exception of commercial international air traffic. Within the ports' limits are bonded warehouses, barge terminals, trucking terminals and air cargo terminals where imported shipments are unloaded and inspected. Portions of the Owensboro office are consolidated with the Evansville, Indiana office. The Owensboro director may be contacted on Tuesdays and



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Thursdays in Owensboro with the remainder of the time spent in the Evansville, Indiana office. The Cincinnati Customs office oversees future importation, tariffs, quotas, visa requirements, and international air traffic. Portions of Northern Kentucky are included in the Cincinnati Customs office service area.

The regional office having jurisdiction for the U.S. Customs Service in Kentucky may be reached at the following address:

Mid America Customs Management Center  
610 South Canal Street, Room 900  
Chicago, Illinois 60607  
312-983-9100

### **Foreign Trade Zones**

[Foreign Trade Zones](#) (called "Free Trade Zones" or "Free Ports" internationally) are areas under U.S. Customs supervision into which foreign merchandise may be brought without the usual immediate formal customs entry. The goods can be exhibited, stored, assembled, or used in manufacturing within the zone, and duties need not be paid unless and until the goods, or their end products, enter U.S. Customs territory from the zone. Re-exports emerge duty-free.

Domestic goods moved into a zone for export are considered exported upon entering the zone, for purposes of excise tax rebates and customs drawback procedures.

Two Foreign Trade Zones and several sub-zones are located in Kentucky. One zone is located in Louisville and the other in Northern Kentucky. For more information contact:

Louisville & Jefferson County  
Riverport Authority  
6900 Riverport Drive  
Post Office Box 58010  
Louisville, Kentucky 40258  
502-935-6024

Greater Cincinnati  
Foreign Trade Zone, Inc.  
300 Carew Tower  
441 Vine Street  
Cincinnati, Ohio 45202  
513-579-0077

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